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RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RUEHKO/AMEMBASSY TOKYO 1484  
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RUEHBY/AMEMBASSY CANBERRA 1961  
RUEHUL/AMEMBASSY SEOUL 4385  
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RHEHNSC/NSC WASHDC

UNCLAS JAKARTA 000219

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DEPT FOR OES/ENRC, EAP/MTS/, EAP/RSP  
USFS FOR CMACKIE  
USTR FOR MLINSCOTT, DBROOKS  
USAID FOR CBARBER, MMELNICK  
NSC FOR CEQ CONNAUGHTON, VAN DYKE  
BANGKOK FOR RDM/A

E.O. 12598: N/A

TAGS: [SENV](#) [EAID](#) [KGHG](#) [ECON](#) [PGOV](#) [ID](#)

SUBJECT: INDONESIA PREPARES FOR SECOND HEART OF BORNEO MEETING

¶1. (SBU) Indonesia, Malaysia, and Brunei Darussalam will meet on February 27-28, 2008 for the second Heart of Borneo (HOB) trilateral meeting in Pontianak, West Kalimantan. At this meeting, the parties intend to consider and adopt a "Decision on the Institutional Arrangement for the Implementation of the HOB Initiative". This will consist of the adoption of a "Strategic Plan for the Conservation and Sustainable Development of the Heart of Borneo", and the establishment of a "Committee on the Implementation of the HOB Initiative" (The Committee on HOB).

The Committee on HOB and HOB Secretariat  
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¶2. (U) The Terms of Reference (TORs) for the Committee do not diverge substantially from the proposals made at the first HOB trilateral meeting. The meetings of the Committee (at least once a year) will replace the trilateral HOB Initiative meetings. The TORs also establish a Secretariat of HOB and Open Ended Advisory Group on HOB to support the Committee on HOB. The draft decision documents do not specify the location of this permanent Secretariat -- the subject of debate at the first trilateral meeting in Bandar Seri Begawan in July 2007, when Brunei offered to host the Secretariat and finance it for the first several years. Our contacts at WWF Indonesia indicate that the Government of Indonesia (GOI) is now more amenable to Brunei's offer.

Strategic Plan for HOB and National Action Plans  
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¶3. (U) The Strategic Plan that the parties will adopt in Pontianak identifies four broad programs:

- Transboundary management
- Protected areas management
- Sustainable natural resources management (outside protected areas), and
- Sustainable financing

Corresponding tables list proposed actions for each program. Indonesia brought its draft national action plan to the first trilateral meeting in July 2007. However, Malaysia and Brunei were not ready with theirs at the time, so the three parties postponed discussion of a harmonized master action plan for the second HOB. Indonesia's HOB National Working Group has continued to refine the

action plan. It is currently meeting in Balikpapan, East Kalimantan, to finalize a draft dated January 22.

#### Financing and Donor Activity

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¶4. (SBU) According to WWF Indonesia, the GOI and the National Working Group would like external donors to help fund the trilateral Secretariat, as well as provincial-level secretariats. Germany,

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through GTZ, is contributing 2.5 million euros under an agreement signed last November to support Indonesian implementation of the HOB Initiative. The two governments are still discussing implementation but expect to begin disbursing funds during the latter half of 2008.

Interested corporate partners such as BHP Billiton, an Australian coal mining company that operates in Central Kalimantan, are awaiting further developments before making firm commitments to support HOB. GOI spending on the HOB Initiative so far has been extremely limited. The 2007-2008 national budget allocated the Ministry of Forestry 75 million rupiah (roughly \$8,000), and East, Central, and West Kalimantan Provinces 100 million rupiah each (less than \$11,000) for HOB-related activities.

¶5. (U) Post can forward by email draft texts of the referenced documents upon request (The Indonesian draft action plan is available only in Bahasa Indonesia). Contact Machut Shishak (shishakma@state.gov) or Sri Murniati (murniatix@state.gov).

HUME